

AMENDED IN ASSEMBLY AUGUST 21, 2006

SENATE BILL

No. 1660

Introduced by Senator Romero

February 24, 2006

An act to amend Section 12306.1 of the Welfare and Institutions Code, relating to public social services.

LEGISLATIVE COUNSEL'S DIGEST

SB 1660, as amended, Romero. In-Home Supportive Services: provider wage and benefit increases.

Existing law provides for the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes and avoid institutionalization.

Existing law permits services to be provided under the IHSS program either through the employment of individual providers, a contract between the county and an entity for the provision of services, the creation by the county of a public authority, or a contract between the county and a nonprofit consortium.

Existing law provides that when any increase in provider wages or benefits is negotiated or agreed to by a public authority or nonprofit consortium, the county shall use county-only funds for the state and county share of any increase in the program, unless otherwise provided in the Budget Act or appropriated by statute.

Existing law establishes a formula with regard to provider wages or benefits increases negotiated or agreed to by a public authority or nonprofit consortium, and specifies the percentages required to be paid by the state and counties, beginning with the 2000–01 fiscal year,

with regard to the nonfederal share of any increases. Under existing law, each of these increases becomes operative under the condition that the May Revision forecast of General Fund revenue for a fiscal year, excluding transfers, exceeds by at least 5%, the most current estimate of revenues, excluding transfers, for the year in which the previous increase became operative.

This bill would eliminate the condition necessary for an increase in the nonfederal share of provider wages and benefits to become operative, for the 2006–07 fiscal year and each fiscal year thereafter.

~~Existing law provides for the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes and avoid institutionalization.~~

~~Existing law permits services to be provided under the IHSS program either through the employment of individual providers, a contract between the county and an entity for the provision of services, the creation by the county of a public authority, or a contract between the county and a nonprofit consortium.~~

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~~Existing law establishes a formula with regard to provider wages or benefits increases negotiated or agreed to by a public authority or nonprofit consortium, and specifies the percentages required to be paid by the state and counties, beginning with the 2000–01 fiscal year, with regard to the nonfederal share of any increases.~~

~~This bill would eliminate the formula for state participation in provider wage and benefit increases, and would instead provide generally that the state shall pay 65% of the nonfederal share of wages and benefits negotiated by a public authority or nonprofit consortium, and associated employment taxes.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 **SECTION 1.** *Section 12306.1 of the Welfare and Institutions*
2 *Code is amended to read:*

3 12306.1. (a) When any increase in provider wages or
4 benefits is negotiated or agreed to by a public authority or
5 nonprofit consortium under Section 12301.6, then the county
6 shall use county-only funds to fund both the county share and the
7 state share, including employment taxes, of any increase in the
8 cost of the program, unless otherwise provided for in the annual
9 Budget Act or appropriated by statute. No increase in wages or
10 benefits negotiated or agreed to pursuant to this section shall take
11 effect unless and until, prior to its implementation, the
12 department has obtained the approval of the State Department of
13 Health Services for the increase pursuant to a determination that
14 it is consistent with federal law and to ensure federal financial
15 participation for the services under Title XIX of the federal
16 Social Security Act, and unless and until all of the following
17 conditions have been met:

18 (1) Each county has provided the department with
19 documentation of the approval of the county board of supervisors
20 of the proposed public authority of nonprofit consortium rate,
21 including wages and related expenditures. The documentation
22 shall be received by the department before the department and
23 the State Department of Health Services may approve the
24 increase.

25 (2) Each county has met department guidelines and regulatory
26 requirements as a condition of receiving state participation in the
27 rate.

28 (b) Any rate approved pursuant to subdivision (a) shall take
29 effect commencing on the first day of the month subsequent to
30 the month in which final approval is received from the
31 department. The department may grant approval on a conditional
32 basis, subject to the availability of funding.

33 (c) The state shall pay 65 percent, and each county shall pay
34 35 percent, of the nonfederal share of wage and benefit increases
35 negotiated by a public authority or nonprofit consortium pursuant
36 to Section 12301.6 and associated employment taxes, only in
37 accordance with subdivisions (d) to (f), inclusive.

(d) (1) The state shall participate as provided in subdivision (c) in wages up to seven dollars and fifty cents (\$7.50) per hour and individual health benefits up to sixty cents (\$0.60) per hour for all public authority or nonprofit consortium providers. This paragraph shall be operative for the 2000–01 fiscal year and each year thereafter unless otherwise provided in paragraphs (2), (3), (4), and (5), and without regard to when the wage and benefit increase becomes effective.

(2) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to nine dollars and ten cents (\$9.10) per hour, if wages have reached at least seven dollars and fifty cents (\$7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the nine dollars and ten cents (\$9.10) per hour shall be used to fund wage increases above seven dollars and fifty cents (\$7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative for the 2001–02 fiscal year and each fiscal year thereafter, unless otherwise provided in paragraphs (3), (4), and (5).

(3) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to ten dollars and ten cents (\$10.10) per hour, if wages have reached at least seven dollars and fifty cents (\$7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the ten dollars and ten cents (\$10.10) per hour shall be used to fund wage increases above seven dollars and fifty cents (\$7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenue, excluding transfers, for the year in which paragraph (2) became operative.

(4) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to eleven dollars and ten cents (\$11.10) per hour, if wages have reached at least seven dollars and fifty cents (\$7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the

eleven dollars and ten cents (\$11.10) per hour shall be used to fund wage increases or individual health benefits, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenues, excluding transfers, for the year in which paragraph (3) became operative.

(5) The state shall participate as provided in subdivision (c) in a total cost of wages and individual health benefits up to twelve dollars and ten cents (\$12.10) per hour, if wages have reached at least seven dollars and fifty cents (\$7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the twelve dollars and ten cents (\$12.10) per hour shall be used to fund wage increases above seven dollars and fifty cents (\$7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative ~~commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenues, excluding transfers, for the year in which paragraph (4) became operative for the 2006-07~~ *fiscal year, and each fiscal year thereafter.*

(e) (1) On or before May 14 immediately prior to the fiscal year for which state participation is provided under paragraphs (2) to ~~(5)~~ (4), inclusive, of subdivision (d), the Director of Finance shall certify to the Governor, the appropriate committees of the Legislature, and the department that the condition for each subdivision to become operative has been met.

(2) For purposes of certifications under paragraph (1), the General Fund revenue forecast, excluding transfers, that is used for the relevant fiscal year shall be calculated in a manner that is consistent with the definition of General Fund revenues, excluding transfers, that was used by the Department of Finance in the 2000-01 Governor's Budget revenue forecast as reflected on Schedule 8 of the Governor's Budget.

(f) Any increase in overall state participation in wage and benefit increases under paragraphs (2) to (5), inclusive, of subdivision (d), shall be limited to a wage and benefit increase of one dollar (\$1) per hour with respect to any fiscal year. With respect to actual changes in specific wages and health benefits

1 negotiated through the collective bargaining process, the state
2 shall participate in the costs, as approved in subdivision (c), up to
3 the maximum levels as provided under paragraphs (2) to (5),
4 inclusive, of subdivision (d).

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6 ~~Code is amended to read:~~

7 ~~12306.1. (a) When any increase in provider wages or~~
8 ~~benefits is negotiated or agreed to by a public authority or~~
9 ~~nonprofit consortium under Section 12301.6, then the county~~
10 ~~shall use county-only funds to fund both the county share and the~~
11 ~~state share, including employment taxes, of any increase in the~~
12 ~~cost of the program, unless otherwise provided for in the annual~~
13 ~~Budget Act or appropriated by statute. No increase in wages or~~
14 ~~benefits negotiated or agreed to pursuant to this section shall take~~
15 ~~effect unless and until, prior to its implementation, the~~
16 ~~department has obtained the approval of the State Department of~~
17 ~~Health Services for the increase pursuant to a determination that~~
18 ~~it is consistent with federal law and to ensure federal financial~~
19 ~~participation for the services under Title XIX of the federal~~
20 ~~Social Security Act, and unless and until all of the following~~
21 ~~conditions have been met:~~

22 ~~(1) Each county has provided the department with~~
23 ~~documentation of the approval of the county board of supervisors~~
24 ~~of the proposed public authority or nonprofit consortium rate,~~
25 ~~including wages and related expenditures. The documentation~~
26 ~~shall be received by the department before the department and~~
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30 ~~requirements as a condition of receiving state participation in the~~
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- 2 ~~to Section 12301.6 and associated employment taxes.~~

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